



Libyan International Medical University Faculty of Business Administration



Major Reasons for Poor Decisions and what could Management do about it

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What Is Decision-Making?



A decision is one when there are different things you can do and you pick one of them. You make lots of decisions every day.

Reasons Why Leaders Make Bad Decision

❑ Rely too much on past Experience:-

One of the greatest attributes a leader can bring to a team or organization is their experience. If the environment, situation or information changes, however, then past experience can hinder the decision-making process. J. Paul Getty said it best, “In times of rapid change, experience could be your worst enemy.”

❑ Ignorance:-

Some leaders are convinced they are right, even in the face of conflicting information. When leaders fully believe they are right, they are less willing to listen to and incorporate other people’s information and expertise into their decisions.



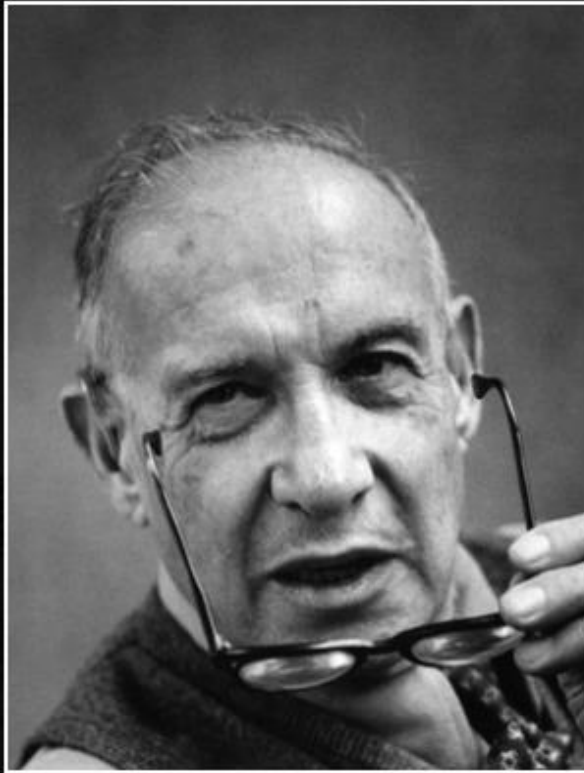
❑ Power:-

Researchers have concluded that people who accumulate power can develop unwarranted confidence in their own abilities. This is especially true when managers surround themselves with “yes” people who have built a reputation for agreeing with any decision the leader recommends.

❑ Select strong team members:-

Strong team members are willing to tell you the truth and will challenge and question the validity of your decisions and recommendations. Weak team members, or “yes” people who are fearful of losing their jobs, have no ability to stand up to a forceful boss and challenge the validity of their decisions. A strong team of individuals who think differently and independently will ultimately lead to better decisions and fewer mistakes.

Quotes About Decisions



Whenever you see a successful
business, someone once made a
courageous decision.

— *Peter Drucker* —

AZ QUOTES

1909 - 2005

ND

The Four Ways Managers Make Decisions

Assumptions of rationality:-

- ❑ The problem is clear and unambiguous
- ❑ A single, well-defined goal is to be achieved
- ❑ All alternatives and consequences are known
- ❑ The final choice will maximize the payoff
- ❑ Unambiguous: not open more than one interpretation.



Quotes About Decisions



Good decisions can have bad short-term outcomes but be great for the business long-term.

— Gerry Schwartz —

AZ QUOTES

1941-?

ND

Conclusion

- ❑ Decision-making is a process of choosing between alternatives.
- ❑ Problem solving and decision making are distinct but related activities.
- ❑ Time pressure and personal emotions can affect the quality of decision-making outcomes.

PEOPLE DO NOT REALIZE HOW IMPORTANT DECISIONS ARE
UNTIL THEY MAKE THE WRONG ONES.





References

Stark, P. B. (2015, April 21). Why Good Leaders Make Bad Decisions. Retrieved December 4, 2019, from <https://peterstark.com/why-leaders-make-bad-decisions/>.



**Thank you
for listening
to my
presentation!
Any Questions?**